

**Standard DSCR 1.0+**

Transaction Type	LTV/CLTV	Maximum Loan Amount	FICO
<b>Purchase Rate and Term</b>	85%	\$1,500,000	740
	80%	\$1,000,000	640
		\$1,500,000	660
		\$2,000,000	740
	75%	\$1,000,000	620
		\$1,500,000	640
		\$2,000,000	700
	70%	\$1,500,000	620
		\$2,000,000	640
		\$2,500,000	700
	65%	\$2,000,000	620
		\$2,500,000	660
\$3,000,000		700	
<b>Cash-Out</b>	75%	\$1,500,000	700
	70%	\$1,500,000	660
	65%	\$1,000,000	620
		\$2,000,000	660
	60%	\$2,500,000	700

**Premier DSCR 1.0+**

Transaction Type	LTV/CLTV	Maximum Loan Amount	FICO
<b>Purchase Rate and Term</b>	75%	\$1,500,000	700
<b>Cash-Out</b>	70%	\$1,500,000	700

- Condos Max 70%
- Minimum loan amount \$100,000
- Loan amounts ≤ \$150,000 – require min 1.25 DSCR
- Non-Perm Resident Aliens and Foreign Nationals not permitted
- Minimum 3-Year Prepay Penalty Required. Non-PPP state restrictions apply
- 40-Yr Fixed and 40-Yr ARM fully amortizing products not permitted
- FTHB ineligible
- All additional overlays of Investor Connect otherwise apply
- Short-term rental qualifying: Not allowed
- **Geographic Restriction: Georgia loans must be closed in an entity to be eligible for Premier DSCR**

**Standard DSCR 0.75-0.99**

Transaction Type	LTV/CLTV	Maximum Loan Amount	FICO
<b>Purchase Rate and Term</b>	75%	\$2,000,000	720
	70%	\$1,500,000	680
	65%	\$2,000,000	700

- Minimum \$175K loan amount; 40 yr and 40 yr IO not permitted
- >70%: 30 yr fixed only

	Max LTV/CLTV	Standard DSCR	Premier DSCR
Premier DSCR - Condos	70%	N/A	X
Standard DSCR – Condos	80%	X	Matrix Caps Apply
First Time Investor	80%	X	Matrix Caps Apply
30- and 40-Year Interest Only	80%	X	Matrix Caps Apply
DSCR <1.0: 30-Year Interest Only	70%	X	Not Eligible
40-Year Amortization	80%	X	Not Eligible
No PPP	80%	X	Not Eligible
First Time Homebuyer (FTHB)	75%	X	Not Eligible
Properties Listed for Sale within the Last 12 Months	70% (Cash Out)	X	X
Appraisal marked ‘Suburban’ but zoned ‘Rural Residential’	80% (Purchase)	X	Not Eligible
	75% (Rate and Term)	X	Not Eligible
	65% (Cash Out)	X	Not Eligible
Declining Markets	5% reduction to max eligibility	X	X
Short-Term Rental	75%	X	Not Eligible
Recently Inherited Properties	60%	X	X
Gift of Equity	70%	X	X

Eligibility	Financing of the investment property must be solely for commercial/business purposes. Borrower is required to sign a Certification of Business Purpose/Non-Owner Occupancy					
Products	Product	Term	I/O Term	Initial Cap	Periodic Cap	Lifetime Cap
	5/6 ARM	360 months	N/A	2	1	6
	5/6 ARM	480 months	N/A	2	1	6
	5/6 ARM I/O	360 months	120 months	2	1	6
	5/6 ARM I/O	480 months	120 months	2	1	6
	7/6 ARM	360 months	N/A	5	1	6
	7/6 ARM	480 months	N/A	5	1	6
	7/6 ARM I/O	360 months	120 months	5	1	6
	7/6 ARM I/O	480 months	120 months	5	1	6
	30-Year Fixed	360 months	N/A	N/A	N/A	N/A
	30-Year Fixed I/O	360 months	120 months	N/A	N/A	N/A
	40-Year Fixed	480 months	N/A	N/A	N/A	N/A
40-Year Fixed I/O	480 months	120 months	N/A	N/A	N/A	
Minimum Loan Amount	<ul style="list-style-type: none"> <li>\$100,000</li> </ul>					
Maximum Loan Amount	<ul style="list-style-type: none"> <li>\$3,000,000</li> <li>&gt;\$2,500,000: 30-Year Fixed Only</li> </ul>					
Interest Only	<ul style="list-style-type: none"> <li>Maximum 80% LTV/CLTV</li> <li>40-Year Interest Only = 10-Year I/O then 30-Year amortization (not permitted on DSCR &lt;1.0)</li> <li>30-Year Interest Only = 10-Year I/O then 20-Year amortization</li> </ul>					
Qualification	<ul style="list-style-type: none"> <li>Fully amortizing fixed and ARM loans are qualified at the initial P&amp;I (30-Year or 40-Year, as applicable), property taxes, insurance(s), &amp; HOA</li> <li>Interest Only loans are qualified on the interest only payments, property taxes, insurance(s), &amp; HOA</li> </ul>					
DSCR Calculation	<ul style="list-style-type: none"> <li>See ‘Rent Qualification’ section in UW manual</li> </ul>					
DSCR Max LTV/CLTV	Standard DSCR 0.75-0.99		Standard DSCR 1.0+		Premier DSCR 1.0+	
	Max 75% LV/CLTV		Max 85% LTV/CLTV		Max 75%	
	LTV > 80%: 30-Year Fixed Only; 3-Year PPP required (not allowed on no PPP states); SFR only					
Borrower Eligibility	Eligible: <ul style="list-style-type: none"> <li>US Citizens</li> <li>Permanent Resident Aliens</li> <li>Non-Permanent Resident Aliens</li> <li>First Time Investors (see below for details)</li> <li>Limited Partnerships, General Partnerships, Corporations, Limited Liability Companies</li> </ul>					

	<ul style="list-style-type: none"> <li>• Inter-Vivos Revocable Trusts</li> </ul> <p>Ineligible:</p> <ul style="list-style-type: none"> <li>• Foreign Nationals</li> </ul>
<b>First Time Investor</b>	<ul style="list-style-type: none"> <li>• Max 80% LTV</li> <li>• Min 1.0 DSCR</li> <li>• Min 680 FICO</li> <li>• Motivation letter required if property is purchased out of state from the borrower's/guarantor's residence</li> </ul>
<b>First Time Homebuyer (FTHB)</b>	<ul style="list-style-type: none"> <li>• Min 1.0 DSCR</li> <li>• Min 700 FICO</li> <li>• Max 75% LTV</li> <li>• Max 750K UPB</li> <li>• Interest Only and/or 40-Year amortization ineligible</li> <li>• No exceptions allowed on the file</li> <li>• Motivation letter required for purchasing investment property and not owning a primary residence</li> <li>• Rent-free ineligible</li> </ul>
<b>Credit Events</b>	<ul style="list-style-type: none"> <li>• Standard – 3 years seasoning</li> <li>• Premier – 4 years seasoning</li> <li>• Credit Event = Foreclosure, Short Sale, Deed-In-Lieu, Default Modification, Notice of Default, Single Bankruptcy or 120+ Delinquent</li> <li>• Single Bankruptcy seasoning including Ch 7, 11, and 13 based on discharge or dismissal date</li> <li>• Multiple Bankruptcies, regardless of seasoning, are ineligible</li> </ul>
<b>Housing History</b>	<ul style="list-style-type: none"> <li>• 1x30x12 (no rolling)</li> <li>• Only one borrower needs to meet housing history</li> <li>• All borrowers must be current on mortgage or rent at loan application</li> <li>• Property tax liens and delinquent HOA dues at application will require pre-approval</li> <li>• Housing history required for Primary and subject property refi. Other REO, not reported on credit, no mortgage rating required</li> <li>• Institutional VOM for refinances of construction loans require payment ledger</li> <li>• Document housing history via 12 months proof of payment via credit report, cancelled checks, bank debits or institutional VOR/VOM</li> <li>• Open and active mortgage(s) reporting on initial credit for minimum 12 months satisfies housing history requirements</li> <li>• No open and active mortgages reporting on initial credit will require pre-approval, except in the following circumstances: <ul style="list-style-type: none"> <li>○ The borrower owns a property free and clear and provides evidence that property taxes are paid current</li> <li>○ The initial credit report shows a minimum of 12 months of previous mortgage history, active within the last 12 months</li> <li>○ A private VOM and 12 months of bank statements, cancelled checks, or bank debits are provided</li> <li>○ Borrower lives rent free from spouse or has title-only ownership and provides an institutional VOM or 12 months of bank statements, cancelled checks, or bank debits</li> <li>○ 12 months proof of payment via cancelled checks, bank debits (highlighted on statements) or institutional VOR/VOM can be used to satisfy housing history. Carbon copies or handwritten rent receipts are not acceptable as bank records</li> <li>○ Credit supplements completed by an institution is acceptable; Private lien holders/landlords are ineligible</li> </ul> </li> <li>• All refinances require pay history on subject property</li> <li>• A borrower who sold a home and is temporarily staying rent free until the purchase of a new home is not considered an incomplete housing history. Must document most recent 12-month history prior to the sale of departing residence</li> </ul>
<b>Qualifying FICO</b>	<ul style="list-style-type: none"> <li>• Highest mid FICO score</li> <li>• For refinances, the use of the highest mid score is only eligible if that borrower meets continuity</li> <li>• Use highest mid FICO of guarantor if more than 1 guarantor</li> </ul>

<p><b>Tradelines</b></p>	<ul style="list-style-type: none"> <li>No borrower can have less than a 620 mid FICO</li> <li>If the qualifying borrower has three credit scores, the minimum tradeline requirement is waived for all borrowers</li> <li>Each borrower must have 2 tradelines or joint borrowers must have a total of 3 tradelines combined, rated at least 12 months, with activity in the last 24 months</li> <li>Tradeline may be opened or closed</li> <li>Eligible tradelines cannot have any derogatory history in the previous 24 months</li> <li>Current housing not reporting on credit can be considered an open tradeline if supported by bank records</li> <li>No authorized user accounts may be used to satisfy minimum tradelines</li> <li>Non-traditional credit is not allowed as an eligible tradeline</li> </ul>			
<p><b>Reserves</b></p>	<p><b>DSCR ≥ 1.0</b>            ≤ 1.5MM and ≤ 70% LTV – no reserves            ≤ 1.5MM and &gt; 70% LTV – 6 months            &gt; 1.5MM – 9 months</p> <p><b>DSCR &lt; 1.0</b>            ≤ 1.5MM – 6 months            &gt; 1.5MM – 9 months</p> <p><b>Cash-Out – 6 months required</b></p> <ul style="list-style-type: none"> <li>Interest Only loans – reserves calculated using the ITIA payment</li> <li>No additional reserves needed for additional financed properties</li> <li>Cash-out may be used for reserves</li> </ul> <p><b>First Time Homebuyers</b> – a minimum of 3 months required unless the LTV or Loan amount requires additional reserves.</p>			
<p><b>Assets</b></p>	<p>Asset Statements:</p> <ul style="list-style-type: none"> <li>1 month or 1 quarterly investment statement of FNMA approved third party direct pull service</li> <li>Statements not required for cash-out transactions which satisfy reserves</li> <li>100% value of bank accounts, stocks, bonds, mutual funds, retirement accounts at the vesting percentage</li> </ul>			
<p><b>Gift Funds</b></p>	<ul style="list-style-type: none"> <li>Eligible for purchase transactions</li> <li>Borrower(s) must have 5% pf their own funds documented but not required to use when LTV &gt;75%</li> <li>≤ 75% LTV – No minimum contribution required</li> </ul>			
<p><b>Refinance Transactions</b></p>	<p style="text-align: center;">Standard <span style="float: right;">Premier</span></p>			<p style="text-align: center;">LTV/CLTV <span style="float: right;">Maximum Cash-Out</span></p>
<p style="text-align: center;">Unlimited Cash-Out</p>	<p style="text-align: center;">&gt;65%</p>		<p style="text-align: center;">\$750K</p>	
<p style="text-align: center;">Existing Mortgage Seasoning</p>	<p style="text-align: center;">0-6 Months</p>		<p style="text-align: center;">6.1 - 12 Months</p>	
<p style="text-align: center;">Rate and Term</p>	<p style="text-align: center;">Lesser of (PP + Improvements)* OR Appraisal</p>		<p style="text-align: center;">Appraisal</p>	
<p style="text-align: center;">Cash-Out</p>	<p style="text-align: center;">Not permitted</p>		<p style="text-align: center;">Appraisal</p>	
	<ul style="list-style-type: none"> <li>Purchase appraisal or original listing photos required along with schedule of improvements</li> <li>Seasoning is measured from note date</li> </ul>			
<p><b>Properties Listed for Sale</b></p>	<p style="text-align: center;">Transaction Type</p>	<p style="text-align: center;">PPP Term/LTV</p>	<p style="text-align: center;">0-6 Months</p>	<p style="text-align: center;">6.1 – 12 Months</p>
<p style="text-align: center;">Rate and Term No Penalty</p>	<p style="text-align: center;">N/A</p>		<p style="text-align: center;">Not permitted</p>	<p style="text-align: center;">Pre-Approval</p>
<p style="text-align: center;">Rate and Term w/Penalty</p>	<p style="text-align: center;">Min 2 Years Penalty</p>		<p style="text-align: center;">Permitted</p>	<p style="text-align: center;">Permitted</p>
<p style="text-align: center;">Cash-Out No Penalty</p>	<p style="text-align: center;">Max LTV 70%</p>		<p style="text-align: center;">Not permitted</p>	<p style="text-align: center;">Pre-Approval</p>
<p style="text-align: center;">Cash-Out w Penalty</p>	<p style="text-align: center;">Min 2 Years Penalty and max LTV 70%</p>		<p style="text-align: center;">Permitted</p>	<p style="text-align: center;">Permitted</p>
	<p>LTV based on lower of appraised value or lowest listing price in the last 12 months</p>			

<p><b>Lender Max Exposure</b></p>	<ul style="list-style-type: none"> <li>• Max financed properties: <ul style="list-style-type: none"> <li>○ Standard: 20 residential</li> <li>○ Premier: 15 residential</li> </ul> </li> <li>• Lender exposure to a single borrower/guarantor cannot exceed \$5MM UPB or 10 loans</li> </ul>		
<p><b>Property</b></p>	<ul style="list-style-type: none"> <li>• Rural Properties not eligible – See UW manual for rural definition <ul style="list-style-type: none"> <li>○ Appraisals marked ‘Suburban but zoned Residential’ are allowed with max LTV: 80% Purchase, 75% Rate and Term, 65% Cash-Out</li> </ul> </li> <li>• Declining Markets require a 5% LTV reduction from max borrower qualifies for; Floor: 75% Purchase, 70% Refinance</li> <li>• Standard: Max 10 Acres</li> <li>• Premier: Max 5 Acres</li> <li>• Minimum square footage required 500 sq ft per unit – kitchenettes ineligible</li> <li>• Short Term Rentals – Refer to ‘Short Term/Variable Rental’ section of the Manual for details</li> <li>• SFR/PUD</li> <li>• 2-4 Units</li> <li>• Unsold builder inventory not eligible</li> <li>• State Condominium Requirements (Warrantable and Non-Warrantable): <ul style="list-style-type: none"> <li>○ California Balcony Bill – SB326: An inspection is required for projects with wood deck, balcony, stairway, walkway, or railing elevated more than 6 feet above the ground. Projects with an unacceptable or no inspection are ineligible.</li> <li>○ Florida – Projects over 30 years old or 25 years if within 3 miles from the coast, a structural inspection within every 10 years is required for projects 3 stories or higher. <ul style="list-style-type: none"> <li>▪ Inspection must confirm no conditions severe enough to affect the safety, soundness, structural integrity or habitability of the improvements</li> <li>▪ Projects with unacceptable or no inspections are ineligible</li> </ul> </li> </ul> </li> </ul>		
<p><b>Non-Warrantable Condos</b></p>	<p><b>Non-Warrantable Condos – Limited to Two</b></p>		
	<p><b>Allowable features:</b></p>		
	<p>Presale</p>	<p>At least 30% of the units must be sold or under bona fide contract</p>	
	<p>Single Entity Ownership</p>	<p>A single entity can own up to 30% of units</p>	
	<p>Commercial Space</p>	<p>Up to 50%</p>	
	<p>Recreational Leases</p>	<p>Eligible</p>	
	<p>Delinquent HOA</p>	<p>Up to 25%</p>	
	<p>Master Coverage Deductible</p>	<p>Up to 10% Allowed</p>	
	<p>Reserves</p>	<p>Minimum 10% replacement and/or maintenance but never less than 5%</p>	
	<p>Mandatory Memberships</p>	<p>Cannot exceed 10% of purchase price</p>	
	<p><b>Ineligible Features/Requirements for Non-Warrantable Condos:</b></p>		
	<p>Material Litigation – Structural/Functional litigation against developer</p>	<p>Ineligible</p>	
	<p>Insurance Coverage</p>	<p>Coverage amount less than the replacement cost is ineligible (Actual Cash Value is not permitted except for the roof)</p>	
	<p>Newly Converted – Non-full gut rehabs</p>	<p>Ineligible</p>	
<p>Flood Insurance</p>	<p>Projects in a flood zone with no master flood coverage are ineligible. Borrower individual policies are not acceptable</p>		
<p>Project Completion</p>	<p>Project must be 100% complete and HOA turned over</p>		
<p><b>Appraisal Requirements</b></p>	<ul style="list-style-type: none"> <li>• 1 full appraisal required for all transactions</li> <li>• 2 full appraisal required for loan amount &gt; \$2M and &gt; 65% LTV/CLTV</li> <li>• All appraisals require a third part valuation by an OGI/LoanLock Prime/Capitalend approved vendor.</li> <li>• CU/LCA score of 2.5 or below, no further review required</li> <li>• Transfer appraisals are acceptable, unless ordered by borrower or affiliate of the property seller</li> </ul> <p>***Refer to OGI/LoanLock Prime/Capitalend exclusionary list of appraisers and interested parties found in the Resource Center. Reach out to your sales rep for any questions***</p>		

<b>Insurance</b>	Commercial, Landlord or rental dwelling policy required					
<b>Prepayment Penalty (PPP)</b>	<ul style="list-style-type: none"> <li>• Non-PPP states or loans without a PPP are not eligible for Premier</li> <li>• Three Prepayment Penalty structure options are available:               <ol style="list-style-type: none"> <li>1. Standard Prepayment Penalty: Penalty term of 6 months' advance interest on the amount prepaid that exceeds 20% of the original balance of the note – 1-,2-,3-,4- or 5-year term (see rate sheet for details)</li> <li>2. Flat structure: 3-,4- or 5-year prepayment term at a 5% flat rate</li> <li>3. Tiered structure as indicated below:</li> </ol> </li> </ul>					
		5 Year PPP	4 Year PPP	3 Year PPP	2 Year PPP	1 Year PPP
	Payoff Year 1	5%	5%	5%	3%	3%
	Payoff Year 2	4%	4%	4%	3%	
	Payoff Year 3	3%	3%	3%		
	Payoff Year 4	2%	2%			
	Payoff Year 5	1%				